



Federal Bureau of Investigation
Phoenix, Arizona



United States Attorney's Office
District of Arizona

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BROTHERS SENTENCED IN AIRCRAFT PARTS FRAUD CASE

Father in Ireland also alleged to be part of the scheme

PHOENIX - Joseph Patrick Smith, III, 43, of Phoenix, and Thomas Edward Smith, 39, of Rockville, Md. were each sentenced here to five years probation by U.S. District Judge Susan R. Bolton. The two are brothers and each pleaded guilty to a charge of Conspiracy to Commit Fraud Involving Aircraft Parts. The sentencings were the result of the prosecution which began in 1998 with a joint undercover operation initiated by the FBI, Air Force Office of Special Investigations and the Defense Criminal Investigative Service to identify sellers of fraudulent aircraft parts.

United States Attorney Paul K. Charlton stated, "These aircraft parts could have been used on a variety of highly sophisticated aircraft flown by some of the nation's finest military pilots. This scheme of selling parts of questionable quality not only defrauded the government but potentially put these dedicated pilots' lives at risk."

FBI Special Agent in Charge Jana D. Monroe stated, "These individuals conducted their counterfeit aircraft parts business in the United States and abroad, as this investigation led FBI agents not only to different states, but to different countries. The importance of the prosecution in this matter is evident in that installation of these parts upon operational aircraft could result in the loss of the aircraft and human lives. This investigation could not have been successfully concluded without the excellent partnership and cooperation with the Air Force Office of Special Investigations, the Defense Criminal Investigative Service, the Office of Inspector General of the U.S. Department of Transportation, the National Aeronautics and Space Administration and the Irish National Police."

The defendants had been charged with Conspiracy and Fraud Involving Aircraft Parts. They admitted that between July 1998 and October 2000 they were employed by Smyth Aerospace Manufacturing, Ltd., with offices in Phoenix and Shannon, Ireland. The company purchased used aircraft parts which were refurbished and sold as new original manufacturers' equipment or unused government surplus.

Joseph Smith, III, admitted that he arranged for the manufacture of aircraft parts without the necessary licenses using secondary manufacturing facilities. Thomas Smith admitted that he knew of the misrepresentations and authorized the shipment of the parts to customers in the U.S. Several misrepresented aircraft parts were purchased during a government undercover investigation and subsequently determined by the original manufacturers to be used or counterfeit parts. The parts were designed for the engines of U.S. Air Force T-37 and T-38 jet trainer aircraft, the NASA aircraft fleet and the commercial Lear Jet.

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Judge Bolton imposed a sentence of five years probation against each defendant (Thomas Smith on October 17, 2005 and Joseph Smith, III, on September 26, 2005) and ordered them to each to pay \$24,722 in restitution. The sentences were pursuant to plea agreements with the government. The pair waived their appellate rights and therefore are eligible to be called as witnesses against their father who is a co-defendant in the case. In documents filed with the court, the government alleges that elder Smith was the leader of a criminal enterprise which routinely sold misrepresented parts to the government and commercial dealers in the United States. The government is seeking the extradition of Joseph Patrick Smith, Jr. from Ireland where he presently resides.

The prosecution was handled by Richard I. Mesh, Assistant U.S. Attorney, District of Arizona, Phoenix.

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